

Education Cabinet

Kentucky's jobless rate drops to 8.4 percent in August 2013

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Editor's Note: Preliminary August and revised July labor market information are included in this release.

FRANKFORT, Ky. (Sept. 19, 2013) — Kentucky's seasonally adjusted preliminary unemployment rate inched down to 8.4 percent in August from 8.5 percent in July 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary August 2013 jobless rate was 0.1 percentage points above the 8.3 percent rate recorded for the state in August 2012.

The U.S. seasonally adjusted jobless rate dropped to 7.3 percent in August 2013 from 7.4 percent in July 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In August 2013, Kentucky's civilian labor force was 2,077,963 -- a drop of 10,743 individuals compared to the previous month. Employment was down by 7,192, and the number of those unemployed decreased by 3,551.

"The labor market is still struggling," said economist Manoj Shanker of the OET. "It has softened during the last four months, as overall employment peaked and then dipped slightly."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment was up by 3,300 jobs in August 2013 from the month before, and increased by 21,300 positions since August 2012.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, five of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while six declined from the previous month.

Total nonfarm employment was up by 0.2 percent from a month ago. Net private sector growth was slightly higher with a gain of 0.3 percent from the addition of 3,800 jobs in August 2013.

Kentucky's professional and business services added 2,700 positions in August 2013 from a month ago for an increase of 1.4 percent. The year-over-year expansion was 2.4 percent with the addition of 4,700 jobs. This category includes establishments engaged in services that support the day-to-day activities of other organization, including temporary employment services and payroll processing.

The construction sector posted a seasonally adjusted increase of 1,700 jobs in August 2013 from a month ago. Gains during the last two months have managed to reverse the job loss in construction. Since August 2012 employment has gone up by 1,500 positions, for a gain of 2.2 percent.

"The uptick in construction is promising," said Shanker. "However, it is not consumer driven at the moment, but is from heavy construction which includes projects like the Ohio River Bridges."

Kentucky's manufacturing sector gained 1,500 jobs in August 2013 compared to the previous month. However, total manufacturing employment declined by 1,600 jobs or 0.7 percent from a year ago. The decline is in the nondurable goods industries which have shed 1,800 jobs during the year.

Employment in the educational and health services sector rose by 1,300 jobs in August 2013, and added 2,000 jobs over the year. Health care jobs account for nearly 90 percent of employment in this sector and grew by 0.5 percent with the addition of 1,200 positions over the month, and 3,400 positions over the year.

Kentucky's leisure and hospitality sector posted a gain of 700 jobs in August 2013 from a month ago. Since August 2012 this sector has grown strongly with the addition of 12,600 positions for an increase of 7.2 percent.

"Restaurant and hotel employment continues to spike up as low wages keep the cost of hiring down," said Shanker. "The slow, but steady, economic expansion has also helped this industry."

Employment in the mining and logging sector declined by 100 from July 2013 to August 2013. The number of jobs in this sector has dropped by 1,600 or 8.1 percent from a year ago.

The information sector, which includes newspapers, telecommunications, motion picture, and sound recording industries, lost 500 jobs in August 2013. Over the year the loss has been 2,200 for a decline of 8.3 percent.

"The traditional media—newspapers, radio, and TV—have seen profits drop and employment slide as they try to compete with low-cost entertainment sources piped in by the Internet," said Shanker.

The government sector, which includes public education, public administration agencies and state-owned hospitals, lost 500 jobs in August 2013, and dropped by 1,200 positions compared to August a year ago.

The financial activities sector posted a loss of 700 jobs from a month ago. The sector has added 1,800 positions for an expansion of 2.1 percent over the year.

Employment in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, declined by 700 positions in August from a month ago. This sector has lost 2,700 jobs from a year ago.

Kentucky's trade, transportation, and utilities sector lost 2,100 jobs in August 2013. This is the largest sector in Kentucky with more than 375,000 jobs that account for one-fifth of all nonfarm employment.

Since August 2012, this sector expanded by 8,000 jobs. Retail trade added 2,400 jobs over the year, and the transportation, warehousing and utilities sub-sector, expanded by 3,900 positions.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at <http://www.kylmi.ky.gov/>